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AGENDA

Monday, September 10, 2007

Recommendation for Board Action

Subject: Approve a resolution adopting the Fiscal Year 2006-2007 Mueller Local Government Corporation Capital Budget in the amount of \$12,192,861 for the Mueller Redevelopment Project. Funding has been provided by the issuance of Revenue Bonds, approved by the Corporation on August 24, 2006.

Amount and Source of Funding: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Vickie Schubert, Deputy Chief Financial Officer, 974-7822

On August 24, 2006 the MLGC and City issued approximately \$12 million in debt related to the sales taxes generated by the regional retail portion of the Mueller development. This debt issuance was done to comply with one of the City's requirements under the Master Development Agreement with Catellus. When the debt issuance and the 380 agreement were approved, staff indicated that the proceeds of the debt would be used as an early funding source for infrastructure such as streets, drainage, and parks. During 2007 the proceeds were used for these purposes.

This transaction was new to the City in two ways. The MLGC was a new entity and the debt proceeds were held by a third-party trustee so they never technically were in the City's coffers. As a result, at the time of the 2007 budget adoption, staff believed that a capital budget for these debt funds was not necessary. However, as we examined the appropriate accounting methods for these funds in preparation for year-end financial accounting and reporting, we determined that these funds should be reflected in the City's financial statements and that a capital budget would be necessary. As a result, a capital budget amendment for 2007 of \$12,192,861 is proposed.

RESOLUTION MLGC NO.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUELLER
LOCAL GOVERNMENT CORPORATION**

The Board approves the capital budget for the Corporation for the 2006 – 2007 fiscal year beginning October 1, 2006 and ending September 30, 2007, attached to this resolution

ADOPTED: _____, 2007 **ATTEST:** _____
Sue Edwards
Secretary

MuellerLocal Government Corporation --Capital Budget2006-07

ProjectName	Amount	FundingSource
InfrastructureReimbursements	\$12,192,861	2006MuellerLocalGovernment CorporationContractRevenueBonds and related interest
TotalNewAppropriations	\$12,192,861	